Black Money in the Country

†268. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that parallel economy of black money exists in the country;

(b) if so, the amount of money involved in this parallel economy; and

(c) the steps being taken by Government to bring this money in the mainstream of the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Action taken from time to time by the various enforcement agencies indicates the existence of black money in the country.

(b) There is no exact estimate of the amount of black money in circulation in the country. However, some years back, the National Institute of Public Finance and Policy (NIPFP) had attempted an estimate of the black money in circulation in the country and had estimated the black money generated in the year 1983-84 between Rs. 31,584 crore to Rs. 36,786 crore. No subsequent study has been conducted at the instance of the Government.

(c) Various enforcement agencies in the Government regularly take anti-evasion measures to unearth black money and bring it into the mainstream of the economy. Also, in the past, special schemes have been announced for voluntary surrender of black money by persons in possession of such money. Such schemes included tax amnesties, voluntary disclosures, special bearer bonds, etc.

Declaration of Dividends by Banks

269. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has barred Banks with high bad loans and low capital from declaring dividends without its permission;

(b) if so, the details in this regard;

† Original notice of the Question was received in Hindi.

(c) the names of Nationalised Banks which fall in this category;

(d) the amount of dividend so far paid by these Banks to Government during the last three years, year-wise;

(e) whether any of these banks have sought permission of the Reserve Bank of India for payment of dividend; and

(f) is so, the reaction of the Reserve Bank of India thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) RBI has not barred any Bank from declaring dividend. RBI has framed guidelines to provide freedom to banks, which meet certain criteria to declare dividends without RBI's prior approval.

(b) to (d) Do not arise.

(e) The following Banks have approached RBI for prior approval for declaration of dividend:—

1. Allahabad Bank
2. UCO bank
3. Bank of India
4. Punjab National Bank
5. State Bank of India
6. Oriental Bank of Commerce
7. Indian Overseas Bank
8. Central Bank of India

(f) RBI has approved the dividends of the above Banks in tune with the above guidelines.

Private Equity Investments

270. SHRIMATI N. P. DRUGA: Will the Minister of FINANCE be pleased to state:

(a) whether the Committee headed by Member, Planning Commission has recommended fresh norms for private equity investments; and

(b) if so, the details thereof?